# CITY OF MOUNTAIN VIEW RISK MANAGEMENT INSURANCE GUIDELINES

### INSURANCE REQUIREMENTS FOR CONTRACTS

# **Policy Statement**

It is the policy of the City of Mountain View to require insurance coverage of all persons with whom the City does business in an effort to minimize the risk of loss and liability to which the City of Mountain View may be exposed. The City's insurance coverage cannot completely mitigate all risks of exposure; other forms of contractual risk transfer are often required. Certificates of insurance and waivers of liability are some of the common methods emphasized in this policy.

#### **Procedures**

All contracts, except those specifically authorized and those of a unique nature, shall require the contracting party to furnish original certificate of insurance and endorsements for \$1 million of commercial general liability (CGL) insurance naming the City of Mountain View as an additional insured. Professional liability insurance in the amount of \$1 million may also be required, depending on the project. Additionally, any contracting party operating or utilizing vehicles in connection with the work being performed for the City will be required to obtain and produce evidence of automobile liability coverage in the amount of \$1 million. The City of Mountain View will also be named as an additional insured under an automobile liability policy. Lastly, the contracting party shall obtain statutory Workers' Compensation insurance and employers' liability insurance in the amount of \$1 million. Insurance coverage shall be subject to the approval of the contract manager and/or the Risk Manager and shall be provided through carriers with a *Best Rating Guide* rating of A:VII or higher.

Please note that all CGL and auto certificates of insurance must be accompanied by an additional insured endorsement. Only the endorsement confers insurance coverage for the City and allows the City to be directly reimbursed for any claims. A certificate only shows proof of insurance and does not provide any coverage for the City.

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Contracts which involve unusual or high-risk services should be reviewed by the Risk Manager and the City Attorney prior to drafting and submission for processing.

High-risk services include, but are not limited to, hazardous work situations, serving or furnishing of alcoholic beverages, joint services or purchase agreements with other jurisdictions.

All contracts are to specify insurance requirements for every contracting party. Additionally, all contracting parties who come into contact with children or who handle food will be required to comply with applicable Federal, State or local regulations that require fingerprinting, TB testing or other requirements prescribed by law.

#### **Processing**

All contracts submitted shall contain insurance language found in the Document Processing document FIN-FO38. The contract manager will select the necessary types of insurance depending upon the type and scope of work within the contract.

All contracts shall be sent to the Finance and Administrative Services Department for the appropriate financial approval. Certificate of insurance and endorsements should be attached to the contract. High-risk contracts or other risk management questions will be referred to the Risk Manager by the contract manager for review before submitting for financial approval.

Contractors shall not be permitted to commence work until the provisions of this policy have been implemented and a completed contract with appropriate signatures has been received. Contract managers must also ensure that coverages are kept current during the entire contract period.

# **Examples of Insurance Requirements**

Listed on Exhibit 1 is a matrix of some examples of the most common types of insurance requirements of the City. This list is not intended to cover every exposure; additional questions or concerns may be forwarded to the City's Risk Manager.

Exhibit 2 is a sample of a certificate of insurance highlighting sections that should be specifically reviewed by the contract manager.

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# **Required Provisions**

- 1. The City of Mountain View, its officers, officials, employees and volunteers are to be covered as additional insured by Endorsement CG 20 10 1185 for Commercial General and Automobile Liability coverage.
- 2. For any claims related to this project, the contractor's insurance coverage shall be primary and any insurance or self-insurance maintained by CITY, its officers, officials, employees and volunteers shall not contribute to it.
- 3. Each insurance policy required shall be endorsed that a thirty (30) day notice be given to CITY in the event of cancellation or modification to the stipulated insurance coverage.
- 4. In the event the contractor employs subcontractors as part of the work covered by an Agreement, it shall be the responsibility of the contractor to ensure that all subcontractors comply with the same insurance requirements.

# **Acceptability of Insurers**

Insurance coverage shall be subjected to coverages provided through carriers with a Best rating of ANIL

## **Verification of Coverage**

Insurance, deductibles or self-insurance retentions shall be subject to the City's approval. Original certificates of insurance with endorsements shall be received and approved by the City before work commences, and insurance must be in effect for the duration of the contract.

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# THE CITY OF MOUNTAIN VIEWS INSURANCE REQUIREMENTS

Type of Activity	Specifications and Minimum Limits	
Professional Services Contracts including consultants, architects, engineers, hospitals, clinics,	Professional Liability/ Errors & On-tissions	\$1,000,000 per occurrence.  Trofessional Liability insurance is to protect the City against losses that may result from the consultant's negligence or omissions.
counselors, attorneys and accountants	Commercial General Liability (including operations, products and completed operations)	\$1,000,000 per occurrence for bodily injury, personal injury and property damage.
	Automobile Liability	\$1,000,000 per accident for bodily injury and property damage. Coverage should indicate "Any Auto."  *Required when the consultant will use an auto in any phase of work performed for the City.
	Workers'Compensation/ Employer's Liability	As required by the State of California; \$1,000,000 per accident.  *If consultant is a sole proprietor, Workers' Compensation will be waived, however.
Service Contracts including janitorial services, movers, on-site equipment maintenance	Commercial General Liability Automobile Liability	\$1,000,000 per occurrence. \$1,000,000 per accident bodily injury and property damage. Coverage should indicate "Any Auto."
	Workers' Compensation/ Employer's Liability	As required by the State of California; \$1,000,000 per accident for bodily injury or disease.

#### **EXHIBIT 1**

BJ/9 /FIN /504-02-10-05IRA

Construction Projects Contracts  Tenant and Concessionaires	Automobile Liability  Workers'Compensation/ Employer's Liability Builder's Risk or Course of Construction  Commercial General Liability	\$1,000,000 per occurrence.  *Contractor shall include all subcontractors as insureds under its policies OR shall furnish the City Certificates of Insurance and endorsements for each subcontractor.  "Major construction projects require higher limits.  \$1,000,000 per accident.  As required by the State of California; \$1,000,000 per accident for bodily injury or disease.  Completed value of project.  *City shall purchase coverage and premium will be included in the funding for project. Intended for new construction of larger size.  \$1,000,000 per occurrence.
Contracts	Commercial General Elability	φ1,000,000 per occurrence.
including gift shops, food and beverage concessions, and other rental space to lessees who have full- or part-time employees.	Workers' Compensation/ Employer's Liability	As required by the State of California; \$1,000,000 per accident for bodily injury or disease.
Environmental Contractors and Consultants	Professional Liability or Errors and Omissions or Pollution or Asbestos Pollution Liability Commercial General Liability Automobile Liability Workers'Compensation/ Employer's Liability	\$1,000,000 each occurrence.  *Shall be maintained for five years after contract completion.  \$1,000,000 per occurrence.  \$1,000,000 per accident.  As required by the State of California; \$1,000,000 per accident for bodily injury or disease.

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Space Rental	Commercial General Liability \$1,000,000 per occurrence.	
including short-term space rental	Liquor Liability \$1,000,000 per occurrence if alcoholic beverages are to be	
of a City facility for special	served.	
occasions to groups who have no		
employees, such as club functions,	or	
weddings, dances, craft classes		
and recreational activities.	Special Event Coverage \$1,000,000 per occurrence	
	*A Special Events Policy is available to renters and obtained through the	
	city.	

#### OTHER INSURANCE PROVISIONS:

- 1. Commercial General Liability and Automobile Liability policies are to provide additional insured status to "the City, its officers, officials, employees and volunteers" via Endorsement CG 20 10 1185.
- 2. Consultant's insurance is primary.
  - Each insurance policy shall be endorsed to state that coverage shall not be canceled except after 30 days prior written notice.
- 4. Insurance must be with companies with a *Best* rating of ANII.
- 5. Consultant shall furnish the City with the original certificates of insurance and endorsements. Forms will be approved by the City before work commences.
- 6. Professional Liability and Pollution Liability tend to be on a "claims made" basis, and tend not to provide "additional insured" status.

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## CERTIFICATE OF LIABILITY INSURANCE

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**INFORMATION** 

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THIS CERTIFICATE 15 ISSUED AS A MATTER OF

ONLY AND CONFERS NO RIGHTS UPON THE This notice confirms **CERTIFICATE** This block identifies the the provisions of the HOLDER. THIS CERTIFICATE DOES NOT AMEND, **EXTEND OR** Th's block "'f roALTER THE COVERAGE AFFORDED BY THE POLICIES Agent or -Broker California Insurance BELOW. **INSURERS AFFORDING COVERAGE** Code, Section 384. Other states have The insurer will be identified here. The w4SUREO similar provisions. It insurer states that thepolicy, letter appears again in the left hand margin The insured is your enthysl not the certificate INSURER C: near the center of thepage to show which INSt W R a ZLcontractor or lessee. governs coverage. 1. nsurerprovides which Vpe ofcoverage. 1 INSURER 0: INSURER E: **COVERAGES** This notice again states that the policy THE POLICIES 0717SUsupersedes the certificateform TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD IND ANY REQUIREMAIENT, T nR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY, BE ISSUED MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. OLI&'&VOCf1V~E---P0 Y EXPIRATIO POIATE (MWOONY) DATE IMWDDIYYI Y EXPIRATION TYPE OF INSURANCE\_\_ GENERAL LIABILITY C041HERCIAL GENERAL LIABILITY POLIC NUMBER LIMITS EACH OCCURAENCE ..!!RE DAMAGE (Any m CLAIMS MADE OCCUR MED EXP jAny one parmi,17 S PERSONAL & ADV IN This column identifies This section and those This column shows immediately below show inception and GENERAL AGG  $R\sim21.1$  limits per occurrence PRODUCTS,and aggregatefor eacl -~C-M-L AGGREGATE LIMIT APPLIES PER: the type of coverage expiration daiesfor 7 PRO. provided through the policies identified. POLICY j CT LOCtype of coverage agent or broker Payspecial COMBINED SINGLE afforded. Pay special A~TOMOBILE LIABILITY identified in "I" above. Me ameer'.) attention to low attention that ANY AUTO If the Insured uses more coverage does not aggregate limilsfor ALL OWNED AUTOS BODILY INJURY than one broker, this expi . re before or public *works-type* SCHEDULED AUTOS . Per . P& . PY . certificate will not duringyourproject contractors, Losses **HIACDAUTOS** identify all existing. otherjobs may **BODILY INJURY** reduct or lease. NON-OWNED AUTOS (Per actoono  $\begin{array}{cc} your\ coverage. \\ {\tt PROPERTY\ DAMAGE} & {\tt 4} \end{array}$ (Per aemdont)

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but this still does not amend the policy.

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TO DO

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 $authorized\ to\ sign\ on\ behay * of the\ company.$ 

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#### **CHAPTERFOUR**

Reproduction of Insurance Services Office, Inc. Form

#### **POLICY NUMBER:**

#### **COMMERCIAL GENERAL LIABILITY**

#### THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

# ADDITIONAL INSURED-OWNERS, LESSEES OR CONTRACTORS (FORM 13)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

#### **SCHEDULE**

Name of Person or Organization:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section 11) is amended to include as an insured the person. or xganization shown in the Schedule, but only with respect to liability arising out of "your Nork" for that insured by or for you.

#### "G 20 10 11 85 Copyright, Insurance Services Office, Inc., 1982

**Notice of Cancellation:** It is understood and agreed that in the event of cancellation of the Policy for any reason other than non-payment of premium, 30 days written notice **Will** be sent to the certificate holder by mail. In the event the policy is canceled for non-payment of premium, 10 days written notice will be sent to the above,

rnsurance Requirements its Contracts

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Obtaining Verification of Compliance Chapter 4

20